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FM SECSTATE WASHDC
TO RUEHAD/AMEMBASSY ABU DHABI IMMEDIATE 9418
RUEHDE/AMCONSUL DUBAI 7089

S E C R E T SECTION 01 OF 02 STATE 162279

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E.O. 12958: DECL: 11/30/2032
TAGS: [ETTC](#) [PARM](#) [PGOV](#) [PREL](#) [AE](#)
SUBJECT: BANK SEPAH PROVIDES FINANCIAL SERVICES TO TANCHON
OFFICIALS IN UAE

REF: ABU DHABI 1015

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Classified By: NEA DAS Gordon Gray for reasons 1.4 (b) and (d).

1.(U) This is an action request. Please see paragraphs three and five.

BACKGROUND

12. (S) The United States is concerned that Iran,s Bank Sepah) an entity designated in UNSCR 1747 for its role in Iran,s ballistic missile program * is providing financial services for North Korea,s Tanchon Commercial Bank in Dubai. Tanchon bank is known to have been involved in DPRK proliferation activities, like Bank Sepah, and was designated by the United States under Executive Order 13382 for its proliferation activities. The UAE is aware that Tanchon has representatives in Dubai, has checked their names against suspicious transactions reports, and yet found nothing illicit (reftel).

OBJECTIVES

3.(S)Embassy should pursue the following objectives:

-- Encourage UAE officials to investigate (and share their findings with us) the activities between Tanchon Commercial Bank officials in Dubai and Bank Sepah.

-- Remind UAE officials that Bank Sepah is designated under UNSCR 1747 and that Member States are required to freeze the funds, other financial assets, and economic resources that are owned or controlled by all entities and individuals designated in the annexes of UNSCRs 1737 and 1747.

-- Encourage UAE officials to freeze any assets owned or controlled by Bank Sepah that Tanchon,s representatives may courier back to Dubai as well as any other assets that Bank Sepah holds in Dubai.

Talking Points

4.(S/NF) Washington requests Embassy draw upon, as appropriate, the talking points below to inform senior host government officials. The points are not/not to be left as a non-paper. Please note that the talking points come from cleared intelligence community language and should not be altered.

5.(S/Rel UAE) Begin Talking Points for UAE:

-- We would like to raise concerns about Iranian and North Korean financial activities in your country.

-- The United States has information that Iran,s Bank Sepah is providing financial services for North Korea,s Tanchon Commercial Bank as of mid-August 2007. Bank Sepah was designated in UNSCR 1747 on March 24, 2007. Additionally, the United States has designated Tanchon Commercial Bank under Executive Order 13382 for its proliferation activities.

-- The United States has information that Ch,oe Myo,ng-ch,o,l, the Tanchon representative in Dubai, either plans or has already traveled to Kish Island in Iran, probably to withdraw funds from Bank Sepah. The balance in the account totaled over 4.5 million (USD).

-- Tanchon officials in Dubai have been using the Kish Island branch of Bank Sepah to surreptitiously move money out of Iran.

-- The UAE should ensure that it is not being used as a staging area for Bank Sepah to circumvent UNSCR sanctions. The UAE should freeze any funds or other assets couriered by Tanchon representatives back to the UAE that are owned or controlled by Bank Sepah and therefore subject to the asset freeze requirements of UNSCRs 1737 and 1747.

-- The United States also urges your government to exercise increased vigilance regarding all Iranian financial and

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commercial relationships, given the risk that any such relationships or transactions may be associated with WMD and ballistic missile programs.

-- We look forward to working with you on this and other related security and counter-proliferation matters.

Background on UNSCRs

-- The United Nations Security Council, acting under Chapter VII, unanimously adopted UNSCRs 1737 and 1747. These resolutions require UN Member States to impose sanctions on designated entities and individuals, including Bank Sepah, in order to prevent proliferation activities. Member States are required to freeze the assets of designated entities/individuals as well as the assets of those &owned or controlled8 by them or acting on their behalf (operative paragraph 12 of UNSCR 1737 and paragraph 4 of UNSCR 1747).

End Talking Points for UAE

REPORTING DEADLINE AND POC

6.(U) Embassy should report results within ten business days of receipt of cable. Please slug replies for ISN, NEA, and T; please include SIPDIS in all replies. Department point of contact is ISN/CPI Chris Herrington, HerringtonC@state.sgov, 202-647-5035. Department thanks Embassy for its assistance.
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